

When recorded mail to: Board of Supervisors
Attn: Melissa Buckley, Clerk of the Board
100 East Carter Drive
P.O. Box 668
Holbrook, AZ 86025

Caption Heading: Resolution 101-85

Do Not Remove

This is part of the official document

RESOLUTION #101-85

RESOLUTION OF THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA, AUTHORIZING THE ISSUANCE AND SALE OF \$9,615,000 PRINCIPAL AMOUNT OF BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32 OF NAVAJO COUNTY, ARIZONA, GENERAL OBLIGATION REFUNDING BONDS, SERIES 1985; PROVIDING TERMS, COVENANTS, AND CONDITIONS REGARDING THE BONDS; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF INTEREST ON AND PRINCIPAL OF THE BONDS; AUTHORIZING THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT IN CONNECTION WITH THE BONDS TO BE REFUNDED; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE BONDS; AND AUTHORIZING THE PREPARATION AND DELIVERY OF AN OFFICIAL STATEMENT WITH REGARD TO THE BONDS.

WHEREAS, School Improvement Bonds, Project of 1984 (the "Project of 1984 Bonds") of Blue Ridge Unified School District No. 32 of Navajo County, Arizona (the "District"), formerly known as Pinetop-Lakeside Unified School District No. 32 of Navajo County, Arizona, are currently outstanding and the District desires to refund in advance of maturity \$9,750,000 in principal amount of the Project of 1984 Bonds maturing on July 1, 1986 through 1996 (the "Bonds to be Refunded"); and

WHEREAS, the Governing Board of the District (the "Governing Board") has determined that the issuance of the bonds authorized hereby (the "Refunding Bonds") and the application of the net proceeds thereof to refund the Bonds to be Refunded in advance of maturity is advisable and in the best interests of the District inasmuch as the average net interest rate on the Refunding Bonds will be lower than the average net interest rate on the Bonds to be Refunded, and this reduction will result in substantial savings to the taxpayers of the District; and

WHEREAS, the Governing Board has heretofore adopted a resolution requesting the issuance of the Refunding Bonds by the Board of Supervisors of Navajo County (the "Board"); and

WHEREAS, in accordance with the laws of the State of Arizona, the aggregate amounts of principal of and interest on the Refunding Bonds which will become due from the date of issuance of the Refunding Bonds to the final maturity date of the Bonds to be Refunded shall not exceed the aggregate amounts of principal of and interest on the Bonds to be Refunded which will become due from the date of issuance of the Refunding Bonds to the final date of maturity of the Bonds to be Refunded; and

WHEREAS, in furtherance of the issuance and sale of the Refunding Bonds and the refunding of the Bonds to be Refunded in advance of maturity there have been prepared and submitted to the Board at this meeting proposed forms of the following documents:

(a) A depository trust agreement, to be dated on or before the date of delivery of the Refunding Bonds (the "Depository Trust Agreement"), with First Interstate Bank of Arizona, N.A., as trustee (the "Trustee"), with respect to the administration and safekeeping of the moneys and securities which will provide for the payment of the Bonds to be Refunded;

(b) A bond purchase agreement, to be dated the date of adoption of this Resolution (the "Bond Purchase Agreement"), pursuant to which Rauscher Pierce Refsnes, Inc., (the "Underwriter") will purchase the Refunding Bonds; and

(c) A preliminary official statement with respect to the Refunding Bonds (the "Preliminary Official Statement"), the final form of which, upon being completed and conformed to this Resolution as adopted and to the Bond Purchase Agreement as executed and dated the date hereof, will be the official statement with respect to the Refunding Bonds (the "Official Statement"); and

WHEREAS, it appears that each of the above referenced documents which is now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered by the respective parties named therein to the extent called for thereby for the purposes intended; and

WHEREAS, there has also been presented at this meeting a Resolution of the Governing Board of the District approving the issuance and sale of the Refunding Bonds and the above-referenced documents and requesting the Board to pass and adopt this Resolution, and to execute and deliver the Refunding Bonds, the Depository Trust Agreement, the Bond Purchase Agreement and the Official Statement;

NOW, THEREFORE, IT IS RESOLVED by the Board of Supervisors of Navajo County, Arizona, as follows:

Section 1. Authorization of the Refunding Bonds.
For the purpose of providing funds to be used to refund the Bonds to be Refunded in advance of maturity, the Board hereby authorizes the issuance and sale of Blue Ridge Unified School District No. 32 of Navajo County, Arizona, General Obligation Refunding Bonds, Series 1985, in the aggregate principal amount of \$9,615,000.

Section 2. Terms of the Refunding Bonds. The Refunding Bonds shall be dated October 15, 1985, numbered from one upward consecutively, issued only in registered form as to both principal and interest, and in the denomination of \$5,000 or integral multiples thereof. The Bonds shall bear interest at the rates provided hereinbelow, payable on July 1, 1986, and semiannually thereafter on July 1 and January 1 each year during the term of the Refunding Bonds.

Interest on the Refunding Bonds shall be payable by check drawn on the Paying Agent (as hereinafter defined) and mailed at or prior to each interest payment date to the registered owners of the Refunding Bonds at the address shown on the books of the Registrar on the Record Date (as hereinafter defined).

Interest on the Refunding Bonds which is not timely paid nor duly provided for shall cease to be payable to the registered owners of the Refunding Bonds (or of one or more predecessor Refunding Bonds) as of the regular Record Date, and shall be payable to the registered owners thereof at the close of business on a special record date for the payment of such overdue interest (the "Special Record Date"). The Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of such overdue interest, and notice thereof shall be given to registered owners of the Refunding Bonds not less than ten (10) days prior thereto.

Principal of the Refunding Bonds, at maturity or on any redemption prior to maturity, will be payable upon presentation and surrender of the Refunding Bonds at the principal office of the Paying Agent.

The Refunding Bonds shall mature on July 1 in the years and in the amounts, and shall bear interest at the rates, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate of Interest</u>
1986	\$ 340,000	9.75%
1987	\$ 520,000	9.75%
1988	\$ 730,000	9.75%
1989	\$ 950,000	9.75%
1990	\$ 1,045,000	7.70%
1991	\$ 1,125,000	7.50%
1992	\$ 1,210,000	7.70%
1993	\$ 1,300,000	7.90%
1994	\$ 1,395,000	8.10%
1995	\$ 1,000,000	8.25%

The Refunding Bonds maturing on or after July 1, 1993 are subject to redemption prior to their respective specified maturity dates on July 1, 1992, and on any January 1 or July 1 thereafter, in whole or in part, in such manner as the District or the Board may direct, at the principal amount thereof plus interest accrued to the date of redemption plus a premium expressed as a percentage of the principal amount of the Refunding Bonds so called for redemption prior to the maturity as follows:

<u>Redemption Dates</u>	<u>Redemption Premium</u>
July 1, 1992 or January 1, 1993	2%
July 1, 1993 or January 1, 1994	1%
Thereafter	-0-

Notice of Redemption will be given by mail to the registered owners of the Refunding Bonds to be redeemed prior to maturity not less than fifteen (15) days nor more than forty-five (45) days prior to the specified redemption date. Neither failure to mail such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of the Refunding Bonds as to which proper notice was given.

Section 3. Form of the Refunding Bonds. The Refunding Bonds shall be in substantially the form of Exhibit "A" attached hereto and incorporated by reference herein, allowing those executing the Refunding Bonds to make such insertions and deletions as necessary to conform the printed Refunding Bonds to this Resolution.

Section 4. Execution of the Bonds. The Refunding Bonds herein authorized will be executed by the President of the Governing Board by his manual or facsimile signature, attested by the manual or facsimile signature of the Clerk of the Governing Board, and countersigned by the manual or facsimile signature by the Chairman of this Board and shall bear the photographically or mechanically reproduced corporate seal of Navajo County, Arizona (the "County"). If any officer whose signature or facsimile of his signature appears on the Refunding Bonds shall cease to be such officer before the issuance and delivery of the Refunding Bonds, such signature or such facsimile will nevertheless be valid and sufficient for all purposes as if he had remained in office until that time.

Section 5. Registrar and Paying Agent. The Treasurer of the County (the "Treasurer") shall maintain an office or agency where the Refunding Bonds may be presented for registration of transfer (the "Registrar") and an office or agency where the Refunding Bonds may be presented for payment (the "Paying Agent"). Any agreements necessary to contract for the services of the Registrar and the Paying Agent are hereby approved and the Chairman of this Board and the Treasurer are hereby authorized and directed to execute, deliver, and take such actions necessary to carry out the intent of such agreements.

Initially, First Interstate Bank of Arizona, N.A., will act as Registrar and Paying Agent with respect to the Refunding Bonds. The Treasurer may change the Registrar or Paying Agent at any time without notice to holders of the Refunding Bonds and the Treasurer may act in any such capacity.

The Registrar shall authenticate \$9,615,000 in aggregate principal amount of the Refunding Bonds for original issue upon written request of the Treasurer. The aggregate principal amount of the Refunding Bonds outstanding at any time may not exceed such amount except for replacement Refunding Bonds executed and delivered pursuant to Section 6 hereof as to which the requirements of the Registrar and the County are met.

The Registrar shall keep a register of the Refunding Bonds and of their transfer. The Treasurer may appoint one or more co-registrars and one or more additional paying agents. The Paying Agent shall be required to agree in writing to hold in trust for the benefit of the holders of the Refunding Bonds all money delivered to and held by the Paying Agent for the payment of the principal of, premium, if any, and interest on the Refunding Bonds. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Registrar and the Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the holders of the Refunding Bonds.

The Registrar may appoint one or more authenticating agents acceptable to the District and the County to authenticate the Refunding Bonds. An authenticating agent may authenticate Refunding Bonds whenever the Registrar may do so. Each reference herein to authentication of the Refunding Bonds by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

When the Refunding Bonds are presented to the Registrar with a request to transfer the registration thereof, the Registrar shall register the transfer on the registration books if its requirements for transfer are met and shall authenticate and deliver one or more of the Refunding Bonds registered in the name of the transferee of the same principal amount, maturity and rate of the interest as the surrendered Refunding Bonds. The Registrar shall charge the transferors of Refunding Bonds that are transferred for the fees, taxes and costs in connection with such transfer.

All Refunding Bonds may be exchanged for Refunding Bonds of the same aggregate principal amount, maturity date and interest rate and of any authorized denomination upon presentation and surrender at the principal corporate trust office of the Registrar, together with a request for exchange signed by the registered owner thereof or by a person legally empowered to do so in a form satisfactory to the Registrar. The Registrar shall charge the registered owners of Refunding Bonds that are exchanged for the fees, taxes and costs in connection with such exchanges.

The record date (the "Record Date") for the Refunding Bonds shall be the close of business of the Registrar on the fifteenth (15th) day, or if such day is a Saturday, Sunday or holiday, on the next succeeding business day, of the month preceding each interest payment date. Refunding Bonds presented to the Registrar for a transfer after the close of business on the Record Date and before the close of business on the next subsequent interest payment date will be registered in the name of the transferee but the interest payment will be payable to and mailed to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

Section 6. Mutilated, Lost or Destroyed Bonds. In case any Refunding Bond becomes mutilated, lost or destroyed, the County shall cause to be executed and delivered a new Refunding Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Refunding Bond or in lieu of and in substitution for such Refunding Bond lost or destroyed, upon the registered holder's paying the reasonable expenses and charges of the County in connection therewith and, in the case of any Refunding Bond destroyed or lost, filing with the Registrar and the County Clerk by the registered owner of evidence satisfactory to the Registrar and the County that such Refunding Bond was lost or destroyed, and furnishing the Registrar and the County with a sufficient indemnity bond as provided in § 47-8405 of the Arizona Revised Statutes.

Section 7. Resolution a Contract. This Resolution shall constitute a contract between and among the County, the District and the holders of the Refunding Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the holders of the Refunding Bonds then outstanding.

Section 8. Tax Levy for Payment. For the purpose of providing for the payment of interest on the Refunding Bonds herein authorized and to create a redemption fund for the purpose of paying the Refunding Bonds at their respective maturity dates, there will be levied on all of the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay the principal of and interest on the Refunding Bonds as they become due limited as to amount to the total amount of principal and interest to become due on the Bonds to be Refunded from the date of issuance of the Refunding Bonds to the final date of maturity of the Bonds to be Refunded. Upon collection, said taxes will be placed in separate funds to be designated "Interest Fund" and "Redemption Fund" and the taxes therein will be applied solely for the purpose of payment of principal of and interest on the Refunding Bonds and for no other purpose whatsoever until all of the Refunding Bonds authorized hereunder have been fully paid, satisfied and discharged, subject, however, to the rights of the holders of the Bonds to be Refunded as hereinafter provided.

For so long as the principal and interest on the Bonds to be Refunded continues to be paid as due, no taxes need be levied for the payment of the interest on and principal of the Bonds to be Refunded; provided, however, that in the event the irrevocable trust authorized to be created pursuant to Section 13 hereof does not at any time contain funds sufficient for the purpose of making any such payments then due, any taxes levied to pay the Refunding Bonds shall first be applied to the payment of the Bonds to be Refunded.

Section 9. Authorization to Execute and Deliver. The execution of the Refunding Bonds by the President of the Governing Board, attested to by the Clerk of the Governing Board, and countersigned by the Chairman of the Board, is hereby authorized. Upon the sale of the Refunding Bonds, the Treasurer is hereby authorized and directed to cause the Refunding Bonds to be authenticated and delivered to the purchaser thereof upon receipt of payment therefor, which shall in no event be a price less than the principal amount thereof plus accrued interest thereon to the date of delivery, and satisfaction of the other conditions for delivery thereof as provided in the Bond Purchase Agreement.

Section 10. Acceptance of the Bond Purchase Agreement. The President of the Governing Board and Chairman of this Board are hereby authorized and directed to execute the Bond Purchase Agreement with the Underwriter in the form attached hereto as Exhibit "B" and incorporated herein by this reference with respect to the sale of the Refunding Bonds and said Refunding Bonds are hereby awarded and sold to the Underwriter in accordance with the terms thereof.

Section 11. Arbitrage Covenant. The District and the County covenant with and for the benefit of the holders of the Refunding Bonds, that they, or their officers or agents, will make no use of the proceeds of the Refunding Bonds which will cause the Refunding Bonds to become arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code and applicable regulations pertaining thereto during the term of the Refunding Bonds.

Section 12. Application of the Refunding Bond Proceeds. Upon the delivery of and payment for the Refunding Bonds in accordance with the terms of their sale, the net proceeds of the Refunding Bonds, after payment of the costs and expenses of their issuance, including, without limitation, any and all expenses incurred with regard to municipal bond guaranty insurance relating to the Refunding Bonds, shall be applied, together with certain moneys on deposit with the Treasurer in the interest and redemption funds for the Bonds to be Refunded (the "Redemption Funds"), to create an irrevocable trust (the "Depository Trust") for the benefit of the holders of the Bonds to be Refunded. Amounts credited to the Depository Trust, other than any beginning cash balance, shall be invested immediately in certain obligations issued by or guaranteed by the United States of America, the maturing principal of and interest on which, together with any beginning cash balances, will be sufficient to pay the principal of and interest on the Bonds to be Refunded as the same becomes due. Any balance of the net proceeds of the Refunding Bonds remaining after the creation of the Depository Trust for the Bonds to be Refunded shall be transferred to the redemption fund created for the Refunding Bonds.

Section 13. Authorization of the Depository Trust Agreement. The Chairman of the Board is hereby authorized and directed to execute, and the Clerk of the Board to attest, the Depository Trust Agreement attached hereto as Exhibit "C" and incorporated by reference herein, with the Trustee, with respect to the administration and safekeeping of the moneys and obligations to be held in the Depository Trust for the payment of the Bonds to be Refunded, in substantially the form submitted to this Board with such changes, additions, and deletions as shall be approved by the Chairman of the

Board and such execution and delivery shall constitute conclusive evidence of approval of such officer and of this Board as to any departures from the form submitted to this Board at the time of the adoption of this Resolution.

Section 14. Authorization of Deposit of the Redemption Funds. Upon the execution of the Depository Trust Agreement, the Treasurer is hereby authorized and directed to deposit with the Trustee an amount of \$845,300 of the Redemption Funds (which amount may be increased or decreased by the Treasurer if such increase or decrease shall be required to comply with applicable United States Treasury Regulations or otherwise provide sufficient funds to pay the principal of, redemption premium, if any, and interest on the Bonds to be Refunded as the same becomes due), which shall be applied to the Depository Trust in accordance with the Depository Trust Agreement.

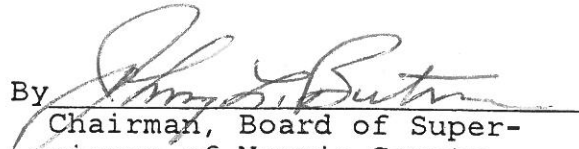
Section 15. The Official Statement. The Preliminary Official Statement is approved and the distribution of the same by the Underwriter is hereby ratified and the President of the Governing Board and the Chairman of the Board are hereby authorized to complete and execute the Official Statement, with such modifications, changes and supplements as the President of the Governing Board and the Chairman of the Board shall approve as being necessary or desirable for its purposes. The President of the Governing Board is authorized to use and distribute, or authorize the use and distribution of, the Official Statement and any supplements thereto as so signed in connection with the original issuance of the Refunding Bonds.

Section 16. Ratification. All actions of the officers and agents of the District and County which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Refunding Bonds as contemplated by this Resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officers and agents of the District and County, and persons authorized to act in the capacity of such officers and agents, are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District and County as may be necessary to carry out the terms and intent of this Resolution.


Section 17. Severance. If any section, paragraph, sentence, clause or phrase of this Resolution is for any reason determined to be illegal or unenforceable, such determination will not affect the validity of the remaining portions of this Resolution. The Board hereby declares that the Coun-

ty and the Board would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and would have authorized the issuance of the Refunding Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

PASSED, ADOPTED and APPROVED by the Board of Supervisors of Navajo County, Arizona, this 22nd day of October, 1985.

By 
Chairman, Board of Supervisors of Navajo County, Arizona

ATTEST:


Clerk, Board of Supervisors, Deputy
of Navajo County, Arizona

(SEAL)

09BDB0921

EXHIBIT A
(Form of Refunding Bond)

UNITED STATES OF AMERICA

STATE OF ARIZONA

NAVAJO COUNTY

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
OF NAVAJO COUNTY, ARIZONA,
GENERAL OBLIGATION REFUNDING BONDS, SERIES 1985

Number:

Denomination:

\$ _____

Interest
Rate

Maturity
Date

Original
Issue Date

CUSIP

_____%

October 15, 1985

Registered Owner:

Principal Amount: _____ DOLLARS

Blue Ridge Unified School District No. 32 of Navajo County, Arizona, an Arizona municipal corporation and political subdivision created and existing under the laws of the state of Arizona (the "District"), formerly known as Pinetop-Lakeside Unified School District No. 32 of Navajo County, Arizona, for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, unless this bond has been called for redemption prior to maturity and payment provided therefor, on the maturity date specified above, the principal amount set forth above and to pay interest on said principal amount from the date of this bond to its maturity, at the interest rate per annum specified above, payable on July 1, 1986, and semi-annually thereafter on January 1 and July 1 of each year during the term of this bond. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The full faith and credit of the District are irrevocably pledged to make timely payment of the principal of and the interest on this bond and to make a levy of and to collect taxes sufficient for the purpose thereof, subject as provided herein to the rights of the holders of the bonds to be refunded by the issue of refunding bonds of which this bond is one.

Principal, interest and any premium are payable in lawful money of the United States of America. Interest will

be paid by check payable in such money drawn on the paying agent and payable to the order of and mailed to the registered owner at the address shown on the registration books maintained by the registrar, which on the original issue date is at the close of business on the record date, which is the fifteenth (15th) day, or if such day is a Saturday, Sunday or holiday, on the next succeeding business day, of the month preceding each interest payment date (the "Record Date"). Interest which is not timely paid or duly provided for shall cease to be payable to the registered owner of this Bond (or of one or more predecessor Bonds) as of the regular Record Date, and shall be payable to the registered owner hereof at the close of business on a special record date for the payment of that overdue interest (the "Special Record Date"). The Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the overdue interest, and notice thereof shall be given to registered owners of the Bonds not less than ten (10) days prior thereto. Principal and any premium will be paid when due to the registered owner upon surrender of this bond for payment at the designated office of the paying agent, which on the original issue date is the principal corporate trust office of First Interstate Bank of Arizona, N.A., Phoenix, Arizona. The registrar or paying agent may be changed without notice.

Bonds of this series maturing on and after July 1, 1993 are subject to redemption prior to their respective specified maturity dates on July 1, 1992, and on any January 1 or July 1 thereafter, at the principal amount thereof plus interest accrued to the date of redemption plus a premium expressed as a percentage of the principal amount of the bonds so called for redemption prior to maturity as follows:

<u>Redemption Dates</u>	<u>Redemption Premium</u>
July 1, 1992 or January 1, 1993	2%
July 1, 1993 or January 1, 1994	1%
Thereafter	-0-

Notice of redemption will be given by mail to the registered owners of the bonds to be redeemed not less than fifteen (15) days nor more than forty-five (45) days prior to the specified redemption date. Neither the failure to mail such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of

bonds as to which proper notice was given. Notice of redemption having been given and moneys for the payment of the principal of, premium, if any, and interest on the bonds so called for redemption having been set aside for the payment thereof, the bonds so called for redemption shall become due and payable on the date specified therefor and interest on the bonds shall cease to accrue and become payable from and after the date of redemption.

This bond is one of a series of bonds issuable only in fully registered form in the denomination of \$5,000 each or integral multiples thereof in the total principal amount of \$9,615,000 of like tenor except as to maturity date, rate of interest and number, issued by the County on behalf of the District for purposes of refunding certain previously issued and outstanding bonds of the District, pursuant to a resolution (the "Resolution") of the Board of Supervisors of Navajo County, Arizona duly adopted prior to the issuance hereof and pursuant to the Constitution and laws of Arizona.

This bond may be transferred or exchanged by the registered owner in person, or by attorney duly authorized in writing, at the designated office of the registrar upon surrender and cancellation of this bond, but only in the manner provided in the Resolution. Upon such transfer or exchange a new bond or bonds of the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange. The registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents. The registrar shall require a holder to pay any fees, taxes and costs required by law or permitted by the Resolution in connection with transfers and exchanges of this bond. Should this bond be submitted to the registrar for transfer during the period commencing after the close of business on the Record Date and continuing to and including the next succeeding interest payment date, ownership will be transferred in the normal manner but the interest payment on such interest payment date will be made payable to and mailed to the owner shown on the registrar's books at the close of business on the Record Date.

The District, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal, interest and any premium hereon and for all other purposes and none of them shall be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond, exist,

have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the District for the payment of this bond and of the interest hereon as each becomes due, limited as to amount to the total of principal and interest to become due on the bonds to be refunded by the issuance of refunding bonds of which this bond is one from the date of issuance of the bonds to the final date of maturity of the bonds to be refunded.

Upon collection, said taxes will be placed in separate funds to be designated "Interest Fund" and "Redemption Fund" and the taxes therein will be applied solely for the purpose of payment of principal of and interest on the bonds and for no other purpose whatsoever until all the bonds authorized hereunder have been fully paid, satisfied, and discharged, subject, however, to the rights vested in the holders of the bonds to be refunded by the issue of refunding bonds of which this bond is one to the payment of such bonds to be refunded from the same tax source in the event of a deficiency in the moneys and the interest on and the maturing principal of the obligations purchased with the proceeds of the sale of these bonds and other moneys legally available therefor, which have been placed in trust for the purpose of providing for payment of principal of and interest on and interest on the bonds to be refunded.

This bond is not valid or binding upon the District without the manually-affixed signature of an authorized officer of the registrar.

IN WITNESS WHEREOF, the Blue Ridge Unified School District No. 32 of Navajo County, Arizona, has caused this bond to be executed in its name by the facsimile signature of its President, attested by the facsimile signature of its Clerk, and to be countersigned by the facsimile signature of the Chairman of the Board of Supervisors of Navajo County,

Arizona, to be dated October 15, 1985, and the seal of Navajo County, Arizona to be reproduced hereon.

BLUE RIDGE UNIFIED SCHOOL
DISTRICT NO. 32 OF NAVAJO
COUNTY

By: (facsimile)
President, Governing Board

COUNTERSIGNED;

ATTEST:

(facsimile)
Chairman, Board of Supervisors
Navajo County, Arizona

(facsimile)
Clerk, Governing Board

(SEAL)

DATE OF AUTHENTICATION AND REGISTRATION:

AUTHENTICATION CERTIFICATE

This bond is one of the Blue Ridge Unified School District No. 32 of Navajo County, Arizona, General Obligation Refunding Bonds, Series 1985, described in the Resolution adopted by The Board of Supervisors of Navajo County, Arizona, October __, 1985.

DATE OF AUTHENTICATION AND
REGISTRATION: _____

First Interstate Bank of
Arizona, N.A., as Registrar

Authorized Officer

(Form of Reverse Side of Bond)

_____, 1985

GOVERNING BOARD
Blue Ridge Unified
School District No. 32
of Navajo County, Arizona
P.O. Box 885
Lakeside, AZ 85929

We are members of the Arizona Bar and have acted as Bond Counsel in connection with the issuance and sale, and the initial delivery on the date hereof, of \$_____ in aggregate principal amount of General Obligation Refunding Bonds, Series 1985, dated October 15, 1985 (the "Bonds"), of Blue Ridge Unified School District No. 32 of Navajo County, Arizona (the "District").

In connection with our engagement, we have examined the law and such certified proceedings and other matters as we deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of officials and officers of the District and of the Board of Supervisors of Navajo County, Arizona, furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, it is our opinion and we herewith advise you, as follows:

1. The Bonds constitute valid and binding general obligations of the District.

2. All taxable property within the District is subject to ad valorem taxation for the payment of the Bonds limited as to amount to the total amount of principal and interest to become due on the bonds to be refunded with the proceeds of the Bonds from the date of issuance of the Bonds to the final date of maturity of the bonds to be refunded. Arizona law requires the assessment, levy, and collection of an annual tax upon the taxable property in the District sufficient to pay the principal of and interest on the Bonds when due; provided, however that such tax levy is subject to the rights of the holders of the bonds to be refunded to payment therefrom should the moneys and obligations purchased with the net proceeds of the Bonds and deposited in trust for the bonds to be refunded not provide sufficient funds for the

payments as they become due of principal of and interest on said bonds to be refunded.

3. Under existing law, interest on the Bonds is exempt from Federal and State of Arizona income taxes.

The rights of the holders of the Bonds and the enforceability thereof may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws and equitable principles generally affecting the enforcement of creditors' rights.

Very truly yours,

SNELL & WILMER

(STATEMENT OF INSURANCE)

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as	tenants in common	UNIF GIFT MIN ACT-
TEN ENT-as	tenants by the	Custodian for
	entireties	(Cust) (Minor)
JT TEN-as	joint tenants with	under Uniform Gifts to
	right of survivorship	Minors Act
	and not as tenants in	
	common	

Additional abbreviations may also be used though not listed above.

FOR VALUE RECEIVED the undersigned hereby sells,
assigns and transfers unto _____

(Name and Address of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____

Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within registered bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Commercial bank, trust company
or member of a national
securities exchange

09BDB0931

EXHIBIT B

\$9,615,000
BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
OF NAVAJO COUNTY, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 1985

BOND PURCHASE AGREEMENT

Board of Supervisors
Navajo County, Arizona
Governmental Complex
Holbrook, Arizona 86025

Governing Board
Blue Ridge Unified School
District No. 32
P.O. Box 885
Lakeside, Arizona 85929

Ladies and Gentlemen:

The undersigned, Rauscher Pierce Refsnes, Inc. (the "Underwriter"), offers to enter into the following agreement with the Board of Supervisors of Navajo County, Arizona (the "Board") and the Governing Board of Blue Ridge Unified School District No. 32 of Navajo County, Arizona (the "District") which, upon the acceptance of this offer by the Board and the District, will be binding upon the Board and the District and upon the Underwriter. This offer is made subject to the acceptance of this Bond Purchase Agreement (the "Purchase Agreement") by the Board and the District on or before 11:59 P.M., Arizona time, on October 22, 1985, and if not so accepted, will be subject to the withdrawal by the Underwriter upon notice delivered to the Board and the District at any time prior to the acceptance hereof by the Board and the District. Unless the context otherwise indicates, any capitalized term not defined in this Purchase Agreement shall have the meaning assigned to it in the resolution described in Section 2 hereof.

1. Upon the terms and conditions hereof and in reliance on the representations, warranties and covenants contained in this Purchase Agreement and any certificates or other documents delivered to the Underwriter pursuant to this Purchase Agreement, the Underwriter hereby agrees to purchase from the Board and the District, and the Board and the District hereby agree to sell to the Underwriter, all of the \$9,615,000 principal amount of Blue Ridge Unified School District No. 32 of Navajo County, Arizona General Obligation Refunding Bonds, Series 1985 (the "Bonds"). The Bonds will be dated October 15, 1985 and will have the maturities and bear interest at the rates per annum shown on Schedule I attached hereto, such interest being payable on July 1, 1986 and semiannually thereafter on each January 1 and July 1. The purchase price for the Bonds will be \$9,615,000 plus interest accrued on the Bonds from October 15, 1985 to the date of payment for and delivery of the Bonds (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery of the Bonds herein sometimes called the "Closing").

2. The Bonds will be as described in, and will be issued and secured under the provisions of a Resolution adopted by the Board on October 22, 1985 (the "Bond Resolution").

3. It will be a condition (i) to the obligation of the Board and the District to sell and to deliver the Bonds to the Underwriter, and (ii) to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds, that the entire \$9,615,000 principal amount of Bonds to be sold pursuant to Paragraph 1 hereof or such other amount as may be agreed to by the Underwriter and the Board and the District be sold and delivered by the Board and the District and purchased, accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all the Bonds at not in excess of the initial public offering yields or prices set forth on the cover page of the Official Statement of the District, plus interest accrued thereon from October 15, 1985, reserving, however, the right to change such yield or prices as the Underwriter may deem necessary in connection with the offering of the Bonds.

4. At the time of acceptance hereof by the Board and the District, there shall be delivered to the Underwriter:

(a) A copy of the Official Statement of the District relating to the Bonds, in the form heretofore delivered to the Underwriter (which, including all appendices and statements included therein or attached thereto, is herein called the "Official Statement"), manually executed on behalf of the District by the President of the District; and

(b) A copy of the Bond Resolution certified by the Clerk of the Board as having been duly adopted by the Board and as being in effect.

(c) A copy of the Resolution requesting the Board to authorize the issuance and sale of the Bonds (the "District Resolution"), duly certified by the Clerk of the District as having been duly adopted by the District on August 15, 1985 and as being in effect.

The Board and the District hereby authorize the Bond Resolution and the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Board and the District confirm that they have authorized the use by the Underwriter prior to the date hereof of the Preliminary Official Statement, dated October 11, 1985, relating to the Bonds and the information contained therein in connection with the public offering of the Bonds. The Board and the District shall provide the Underwriter with such quantities of such documents as the Underwriter shall reasonably request.

5. The Board represents and warrants, and agrees with, the Underwriter that:

(a) The Board, concurrently with the acceptance hereof, has duly adopted the Bond Resolution, has approved the Official Statement, has duly authorized and approved the execution and delivery of, and the performance by the Board of its obligations contained in this

Purchase Agreement, and has duly authorized and approved the performance of its obligations contained in the Bond Resolution. The Board is, and at the Closing will be, in compliance in all respects with the Bond Resolution and this Purchase Agreement.

(b) The Board has, and at the date of the Closing will have, full legal right, power, and authority (i) to enter into this Purchase Agreement, (ii) to adopt the Bond Resolution, and (iii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Bond Resolution as provided herein.

(c) The Board has made all required filings with and has obtained all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Board of its obligations hereunder and under the Bond Resolution.

(d) The Bonds, when issued, executed, authenticated and delivered in accordance with the Bond Resolution, and sold to the Underwriter as provided herein, will be validly issued and outstanding general obligations of the District entitled to the benefits of the Constitution and laws of the State and the Bond Resolution, and all actions necessary to create a legal, valid and binding levy on all of the taxable property in the District of a direct, annual, ad valorem tax sufficient to pay all the principal of and interest on the Bonds as the same becomes due and of amounts in the funds and accounts created under the Bond Resolution for the benefit of the owners of the Bonds shall have been taken.

(e) The Board, under the constitution and laws of the State and the United States, respectively, has full legal right, power and authority to advance refund the District's general obligation bonds, described in Exhibit A hereto.

(f) Between the date of this Purchase Agreement and the Closing, the Board will not, without the prior written consent of the Underwriter, issue any bonds, notes or other obligations of the District for borrowed money.

(g) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body, pending or, to the knowledge of the Board (upon due inquiry), threatened (i) in any way affecting the Board's powers, the existence of Navajo County or the title to office of any of the officials of the Board, (ii) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or the collection of the taxes levied or to be levied to pay the principal of and interest on the Bonds, or the levy thereof, (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution or this Purchase Agreement, (iv) contesting the power of the Board or its authority with respect to the Bonds, the Bond Resolution or this Purchase Agreement, or (v) questioning the tax-exempt status of the Bonds; nor, to the best knowledge of the Board, is there any reasonable basis therefor.

(h) The Board will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate.

(i) The Board will apply the proceeds of the Bonds in accordance with the Bond Resolution.

(j) The Board has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certificate may not be relied upon.

6. The District represents and warrants to, and agrees with, the Underwriter that:

(a) The District has duly adopted the District Resolution, has duly authorized and approved the Official Statement, has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations contained in the Bonds and this Purchase Agreement, and has duly authorized and approved the performance of its obligations contained in the Bond Resolution and the consummation of all other transactions contemplated by this Purchase Agreement and the Official Statement. The District is, and at the Closing will be, in compliance in all respects with the District Resolution, the Bond Resolution and this Purchase Agreement.

(b) The District has, and at the date of the Closing will have, full legal right, power and authority (i) to enter into this Purchase Agreement, (ii) to adopt the District Resolution, (iii) to deliver the Bonds to the Underwriter pursuant to the Bond Resolution as provided herein, and (iv) to carry out and consummate the transactions contemplated by this Purchase Agreement, the District Resolution, the Bond Resolution, the Official Statement and the execution of this Purchase Agreement and the adoption of the Bond Resolution and compliance with the provisions hereof and thereof and consummation of the transactions contemplated hereby and thereby and by the Official Statement do not and will not conflict with or constitute a breach of or default under any provision of applicable law or administrative regulation of the State of Arizona (the "State") or the United States or any department, division, agency or instrumentality thereof of any applicable judgment or decrees or any loan agreement, bond, note, resolution, ordinance, indenture, agreement or other instrument to which the District is a party or may be otherwise subject. The District is not in breach of or default under any such provision and no event has occurred and is continuing which constitutes, or which with the passage of time or the giving of notice or both would constitute, a breach of or a default under any such provisions. There are no such provisions which, either in any case or in the aggregate, materially adversely affect or in the future might (so far as can reasonably be foreseen) materially affect the District's business, affairs, positions, results of operation or condition, financial or otherwise, or materially affect the District's ability to fulfill its

obligations under or carry out the transactions contemplated by the District Resolution, the Bond Resolution, the Official Statement or this Purchase Agreement.

(c) The District has made all required filings with and has obtained all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the District of its obligations hereunder and under the District Resolution, the Bond Resolution and the Bonds.

(d) The Bonds and the Bond Resolution conform to the descriptions thereof contained in the Official Statement and the Bonds, when issued, executed, authenticated and delivered in accordance with the Bond Resolution, and sold to the Underwriter as provided herein, will be validly issued and outstanding general obligations of the District entitled to the benefits of the Constitution and laws of the State and the Bond Resolution, and all actions necessary to create a legal, valid and binding levy on all of the taxable property in the District of a direct, annual, ad valorem tax sufficient to pay all the principal of and interest on the Bonds as the same becomes due and of amounts in the funds and accounts created under the Bond Resolution for the benefit of the owners of the Bonds shall have been taken.

(e) The financial statements of the District contained in the Official Statement fairly present the financial positions and results of operations and changes in fund balances of the District as of the dates and for the periods therein set forth, and the District has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied.

(f) As of the date thereof, and at the time of the District's acceptance hereof, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) At the time of the District's acceptance hereof and at all times subsequent thereto, up to and including the date of the Closing (unless the Official Statement is amended or supplemented pursuant to subparagraph (1) of this paragraph 6), the Official Statement (including the financial statements and all other financial and statistical data included therein) does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) If the Official Statement is amended or supplemented pursuant to subparagraph (1) of this Paragraph 6, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the date of the Closing (unless the Official

Statement is further amended or supplemented pursuant to subparagraph (1) of this Paragraph 6), the Official Statement as so supplemented or amended (including the financial statements and all other financial and statistical data included therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Between the date of this Purchase Agreement and the Closing, the District will not, without the prior written consent of the Underwriter, request the Board to issue any bonds, notes or other obligations for borrowed money; and, subsequent to the respective dates as of which information is given in the Official Statement up to and including the date of the Closing, the District has not incurred and will not incur any material liabilities, direct or contingent, except (a) those liabilities arising in the normal course of business, or (b) those liabilities incurred with the Underwriter's consent.

(j) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body, pending or, to the knowledge of the District (upon due inquiry), threatened (i) in any way affecting the District's powers, the existence of the District or the title to office of any of the officials of the District, (ii) seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the collection of the taxes levied or to be levied to pay the principal of and interest on the Bonds, or the levy thereof, (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the District Resolution, the Bond Resolution or this Purchase Agreement, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, (v) contesting the power of the District of its authority with respect to the Bonds, the Bond Resolution or this Purchase Agreement, (vi) which may adversely affect the District or its properties, or (vii) questioning the tax-exempt status of the Bonds; nor, to the best knowledge of the District, is there any reasonable basis therefor.

(k) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate.

(1) If between the date of this Purchase Agreement and the date of the Closing an event occurs affecting the District of which the District has knowledge and which would cause the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District will notify the Underwriter and if in the opinion of the Underwriter such event requires

an amendment or supplement to the Official Statement, the District will at its expense amend or supplement the Official Statement in a form and in a manner approved by the Underwriter.

(m) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certificate may not be relied upon.

7. On November 20, 1985 or on such other date, but not later than December 15, 1985, as may be mutually agreeable to the Underwriter, the Board and the District, the Board and the District will deliver the Bonds to the Underwriter in definitive form, bearing CUSIP numbers, duly executed and authenticated, together with the other documents hereinafter mentioned and subject to the terms and conditions hereof. The Underwriter will accept such delivery and pay the purchase price for the Bonds as set forth in Paragraph 1 hereof in immediately available or federal funds. Delivery and payment as aforesaid will be made in Phoenix, Arizona, or at such place as may have been mutually agreed upon by the Board, the District and the Underwriter. The Bonds will be prepared and delivered as fully registered bonds without coupons in the denomination of \$5,000 each or any integral multiple thereof.

8. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Board and the District contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Board and the District of their obligations hereunder at or prior to the date of the Closing. Accordingly, the Underwriter's obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds is subject to the performance by the Board and the District of their obligations to be performed hereunder and under such aforesaid documents and instruments at or prior to the Closing, and is also subject to the fulfillment to the reasonable satisfaction of the Underwriter of the following conditions:

(a) The representations and warranties of the Board and the District contained herein will be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of Closing.

(b) At the time of the Closing, the District Resolution, the Bond Resolution, the Depository Trust Agreement referred to in the Bond Resolution (the "Depository Trust Agreement") and this Purchase Agreement will be in full force and effect, and will not have been amended, modified or supplemented, and the Official Statement will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, the Board and the District shall have adopted and there shall be in full force and effect such resolutions as in the opinion of Snell & Wilmer, Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, and all necessary action of the Board and the District relating to the issuance of the bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented.

(d) The undersigned may terminate the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Board and the District of its election to do so if at any time after the execution hereof and at or prior to the Closing:

(i) The marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by (A) an amendment to the Constitution of the United States or the Constitution of the State of Arizona (the "State") or (B) any introduced or enacted Federal or State legislation or (C) any decision of any Federal or State court or (D) any ruling or regulation (final, temporary or proposed) of the Treasury Department of the United States, the Internal Revenue Service or other Federal or State authority or (E) any bill favorably reported out of committee in either house of the Congress of the United States, in any case affecting the tax status of the Board or the District, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the Internal Revenue Code of 1954 or the statutes of the State; or

(ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made having the effect or creating the probability that the issuance, offering or sale of obligations of the general character of the Bonds shall be or shall become a violation of any provisions of the Securities Act of 1933, the Securities and Exchange Act of 1934, or the Trust Indenture Act of 1939; or

(iii) in the Congress of the United States legislation shall be enacted or a bill shall be favorably reported out of committee to either house, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the Board or the District or of any similar public body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, the Securities and Exchange Act of 1934 or the Trust Indenture Act of 1939; provided, however, that the effective date of the events described in (i), (ii) and (iii) of this subparagraph (d) shall be prior to the date of the Closing; or

(iv) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak of hostilities or a national or international calamity or crisis, or an escalation thereof, the effect of such outbreak calamity or crisis on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter,

would affect materially and adversely the ability of the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds; or

(v) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or State authorities.

(e) At or prior to the Closing, unless otherwise agreed to by the Underwriter in writing, the Underwriter will have received each of the following documents:

(i) The approving opinion, dated the date of the Closing and addressed to the Board, of Snell & Wilmer, Bond Counsel, in form and content satisfactory to the Underwriter, and an opinion of such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that such opinion addressed to the Board may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(ii) An opinion, dated the date of the Closing and addressed to the Underwriter, of Squire, Sanders & Dempsey, counsel to the Underwriter, to the effect that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; in addition, such counsel will state in its letter containing the foregoing opinion, or in a separate letter dated the date of the Closing and addressed to the Underwriter, that, based upon their participation in the preparation of the Official Statement as counsel to the Underwriter and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, as of the date of the Closing such counsel has no reason to believe that the Official Statement as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the information relating to the Policy and the Insurer, as these terms are hereinafter defined, and except for the financial statements and other financial and statistical data included therein, as to which no view need be expressed), or that the Official Statement (together with any amendments or supplements thereto pursuant to subparagraph (1) of Paragraph 6 hereof, if any), as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except as aforesaid).

(iii) A certificate or certificates, dated the date of the Closing and signed on behalf of the Board by the Chairman or

other authorized officer with respect to matters relating to the Board, and on behalf of the District by the President of the Governing Board or other authorized officer with respect to matters relating to the District, to the effect that (A) the representations, warranties and covenants contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (B) no litigation is pending or, to their knowledge, threatened in any court in any way affecting the title of the Officials to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of the taxes levied or to be levied to pay all the principal of and interest on the Bonds, or the levy thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Depository Trust Agreement, or this Purchase Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the District or its authority with respect to the Bonds, the Bond Resolution, the Depository Trust Agreement, or this Purchase Agreement; and (C) the Board and the District have complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing.

(iv) A certificate, dated the date of the Closing and signed by the President of the Governing Board of the District, to the effect that the Official Statement is true in all material respects and does not omit any statement of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(v) An opinion, in form and in substance satisfactory to the Underwriter, of Ernst & Whinney, independent certified public accountants, that, as of the Closing Date, it has verified (A) the arithmetical accuracy of the mathematical computations supporting the adequacy of the maturing principal amounts of, and interest earned on, the United States Treasury obligations deposited to pay the debt service on the Bonds Being Refunded, and (B) the arithmetical accuracy of the mathematical computation supporting the conclusion that the refunding aspects of the Bonds will not cause the Bonds to be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended.

(vi) A copy of the policy of insurance (the "Policy") issued by Financial Guaranty Insurance Company (the "Insurer") with regard to the Bonds which shall be in full force and effect on the date of the Closing.

(vii) An opinion of counsel to the Insurer as to the power, existence and authority of the Insurer; the execution, delivery, performance, validity and enforceability with respect to the

Insurer of the Policy; the absence of litigation and the existence of no conflicts with respect to the Insurer which would adversely affect the performance of the Insurer under the Policy, and such other matters as may be requested by the Underwriter.

(viii) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bonds.

(ix) Evidence that Standard & Poor's Corporation and Moody's Investor's Service, Inc., respectively, have issued ratings of "AAA" and "Aaa", for the Bonds and that such ratings are then in effect.

(x) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties and covenants of the Board and the District contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Board and the District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Board and the District.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement will be deemed to be in compliance with the provisions hereof if, but only, if they are in form and substance satisfactory to the Underwriter.

9. If the Board and the District are unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement will terminate and neither the Underwriter nor the Board and the District will be under further obligation hereunder, except the respective obligations of the Board, the District and the Underwriter set forth in Paragraph 9 and the representations and warranties of the Board and the District contained therein will continue in full force and effect.

10. If a Closing shall take place hereunder, the Underwriter will be under no obligation to pay, and the Board and the District will pay solely from the proceeds of the Bonds all expenses incident to the performance of the obligations of the Board and the District hereunder, including but not limited to (i) the cost of the preparation and printing of the Bond Resolution, the Depository Trust Agreement, Preliminary Official Statement and the Official Statement (including any amendments or supplements thereto); (ii) the cost of preparation, printing and signing of the Bonds; (iii) the fees and disbursements of Snell & Wilmer, Bond Counsel; (iv) the fees and disbursements of First Interstate Bank of Arizona, N.A., as Bond Registrar for the Bonds; (v) the fees and disbursements of Ernst & Whinney for the verification of the mathematical computations in connection with the advance refunding of the

Bonds Being Refunded, and of any other experts or consultants retained by the Board and the District; (vi) fees and expenses, including expenses incurred by the Underwriter, for bond ratings and for computer services; and (vii) the fees and expenses of First Interstate Bank of Arizona, N.A., as trustee under the Depository Trust Agreement.

In the event the Bonds are not sold to the Underwriter, the Underwriter shall be under no obligation to pay expenses incident to the performance of the obligations of the Board and the District hereunder. Similarly, in such event, the Board and the District shall have no liability for any expenses incurred by the Underwriter.

11. Any notice or other communication to be given under this Purchase Agreement must be given by delivering the same in writing to:

Board of Supervisors
Navajo County, Arizona
Governmental Complex
Holbrook, Arizona 86025-0668

Governing Board
Blue Ridge Unified School District No. 32
P.O. Box 885
Lakeside, Arizona 85929

Rauscher Pierce Refsnes, Inc.
201 North Central Avenue
3450 Valley Bank Center
Phoenix, Arizona 85073
Attention: Harry Pernell

12. This Purchase Agreement is made solely for the benefit of the Board, the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person may acquire or have any right hereunder or by virtue hereof. All of the representations, warranties, and covenants of the Board and the District contained in this Purchase Agreement will remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter, or (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement.

13. This Purchase Agreement will become effective upon the execution of the acceptance hereof by the Chairman of the Board on behalf of the Board

and by the President and Clerk of the Governing Board on behalf of the District and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

RAUSCHER PIERCE REFSNES, INC.

By _____
Vice President

Accepted:

This ____ day of October, 1985

NAVAJO COUNTY, ARIZONA

By _____
Chairman, Board of Supervisors

BLUE RIDGE UNIFIED SCHOOL DISTRICT
NO. 32 OF NAVAJO COUNTY, ARIZONA

By _____
President of the Governing Board

\$9,615,000
BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
OF NAVAJO COUNTY, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 1985

Schedule I

to

Purchase Agreement

<u>Maturity</u> <u>July 1</u>	<u>Principal Amounts</u> <u>Maturing</u>	<u>Interest</u> <u>Rates</u>
1986	340,000	9.750
1987	520,000	9.750
1988	730,000	9.750
1989	950,000	9.750
1990	1,045,000	7.700
1991	1,125,000	7.500
1992	1,210,000	7.700
1993	1,300,000	7.900
1994	1,395,000	8.100
1995	1,000,000	8.250

EXHIBIT A

BONDS BEING REFUNDED

<u>General Obligation Bond Issue</u>	<u>Original Amount</u>	<u>Dated Date</u>	<u>Maturity Date(s) Being Refunded</u>	<u>Principal Amount Being Refunded</u>
Project of 1984	\$9,750,000	8-1-84	7-1-86 through 7-1-96	\$9,750,000

EXHIBIT C

DEPOSITORY TRUST AGREEMENT

This Depository Trust Agreement, dated as of November __, 1985 (the "Agreement"), between Navajo County, Arizona (the "County"), and First Interstate Bank of Arizona, N.A., Phoenix, Arizona, a national banking association authorized to transact trust business in the State of Arizona, as trustee (the "Trustee"),

W I T N E S S E T H:

WHEREAS, School Improvement Bonds, Project of 1984 (the "Project of 1984 Bonds") of Blue Ridge Unified School District No. 32 of Navajo County, Arizona (the "District"), formerly known as Pinetop-Lakeside Unified School District No. 32 of Navajo County, Arizona, are currently outstanding and the County and the District desire to refund in advance of maturity \$9,750,000 in principal amount of the Project of 1984 Bonds maturing on July 1, 1986 through 1996 (the "Bonds to be Refunded"); and

WHEREAS, the Board of Supervisors (the "Board") of the County by resolution adopted on October __, 1985 (the "Bond Resolution"), has authorized the issuance of \$_____ in aggregate principal amount of Blue Ridge Unified School District No. 32 of Navajo County, Arizona, General Obligation Refunding Bonds, Series 1985 (the "Refunding Bonds"), which are being issued to provide funds to be used to refund in advance of their maturity the Bonds to be Refunded; and

WHEREAS, pursuant to the Bond Resolution, the County on behalf of the District has sold and delivered the Refunding Bonds to Rauscher Pierce Refsnes, Inc. and the proceeds derived from the sale (excluding all accrued interest on the Bonds, which shall be deposited in the District's account from which interest on the Bonds is to be paid) (the "Refunding Bond Proceeds") shall be applied (i) to the payment of expenses in connection with the authorization, issuance, sale and delivery of the Refunding Bonds and the refunding of the Bonds to be Refunded (the "Refunding Expenses") described in Exhibit "A" attached hereto, (ii) to the payment of expenses incurred by the District with regard to municipal bond guaranty insurance relating to the Refunding Bonds (the "Insurance Expenses"), and (iii), together with other moneys legally available therefore (the "Redemption Funds"), to the purchase of a portfolio of certain obligations (the "Obligations"), consisting of certain United

States Treasury Obligations, State and Local Government Series (the "Acquired Obligations") and certain direct obligations of the United States of America (the "Open Market Obligations"), the maturing principal of and investment income from which will be sufficient to pay the principal of and interest on the Bonds to be Refunded as such becomes due; and

WHEREAS, the Bond Resolution approves the execution and attestation by the Chairman and the Clerk of the Board of a Depository Trust Agreement with the Trustee for the purpose of creating an irrevocable trust for the administration and safekeeping of the Obligations and other moneys to be held in trust for the payment of the Bonds to be Refunded; and

WHEREAS, the Trustee agrees to accept and administer the trust for such purpose created hereby,

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

Section 1. The County will cause to be deposited with the Trustee for the account of the District the Refunding Bond Proceeds and \$_____ of the Redemption Funds in a special trust fund which is hereby created and designated as the "Blue Ridge Unified School District No.32 of Navajo County, Arizona, General Obligation Refunding Bonds, Series 1985, Trust" (the "Depository Trust").

Section 2. The funds in the Depository Trust shall be allocated and applied as follows:

(a) An amount of \$_____ of the Refunding Bond Proceeds shall not be invested and shall be held as cash in a separate account within the Depository Trust and used by the Trustee for payment of the Refunding Expenses. Payment for any Refunding Expense shall be made upon receipt of a statement or invoice therefor and shall not exceed the amount listed in Exhibit "A" for such Refunding Expense. Any moneys remaining in said account on June 30, 1986, shall be remitted to the County for deposit in the redemption fund for the Refunding Bonds.

(b) An amount of \$_____ of the Refunding Bond Proceeds shall not be invested and shall be held as cash in a separate account within the Depository Trust and used by the Trustee for payment of the Insurance Expenses described in Exhibit "B" attached hereto incurred by the District with regard to municipal bond guaranty

insurance relating to the Refunding Bonds. Payment for all Insurance Expenses shall be made immediately by certified check in the amounts and to the order of the parties listed on Exhibit "B."

(c) An amount of \$_____ of the Refunding Bond Proceeds shall be immediately invested in the Acquired Obligations described in Exhibit "C" attached hereto. The Trustee shall reinvest all amounts received as interest on and maturing principal of the Acquired Obligations described in Exhibit "C" attached hereto and held on each January 1 and July 1 during the term hereof that are not required for the payment of the principal of or interest on the Bonds to be Refunded on such date in United States Treasury Certificates of Indebtedness, State and Local Government Series, at 0.0% interest rate maturing on the next succeeding semiannual debt service payment date for the Bonds to be Refunded (the "Restricted Yield Reinvestment Obligations"), provided that no such reinvestment need be made of cash balances of less than \$1,000 or in denominations of other than integral multiples of \$100 which amounts shall be held in cash and not invested. All amounts received upon maturity of the Restricted Yield Reinvestment Obligations shall be used for the purpose of paying the principal and interest requirements of the Bonds to be Refunded on such semiannual debt service payment dates.

(d) An amount of \$_____ of the Redemption Funds shall be invested in certain Open Market Obligations described in Exhibit "D" attached hereto (the "Unrestricted Yield Obligations"). All amounts received as interest on or maturing principal of the Unrestricted Yield Obligations shall be applied by the Trustee to the principal and interest due on the Bonds to be Refunded on the next succeeding semiannual debt service payment date following the receipt thereof.

(e) An amount of \$_____ of the Refunding Bond Proceeds and an amount of \$_____ of the Redemption Funds shall be held as cash in a separate account within the Depository Trust and shall be applied by the Trustee to the principal and interest due on January 1, 1986 on the Bonds to be Refunded.

Section 3. The Trustee shall, on the respective days on which principal and interest on the Bonds to be Refunded are due, forward to the paying agent for the Bonds to be Refunded for deposit in the appropriate funds and trust accounts for the payment thereof the amount of interest and

principal due on such payment date for the Bonds to be Refunded in accordance with Exhibit "E" attached hereto.

Section 4. The Trustee shall maintain the Depository Trust until the date on which the paying agent for the Bonds to be Refunded has on deposit all moneys necessary fully to pay all principal of and interest on the Bonds to be Refunded. On such date, the Trustee shall sell or redeem all of the Obligations in the Depository Trust and remit any amount remaining therein to the County for deposit in the redemption fund for the District's Refunding Bonds.

Section 5. The Trustee acknowledges the following:

(a) As of the date hereof, the amounts credited to the Depository Trust are subject to certain restrictions as to investment under Section 103(c) of the Internal Revenue Code as are required thereunder for purposes of exempting the interest on the Refunding Bonds and the Bonds to be Refunded from Federal income taxes.

(b) Based upon that certain Special Report of Ernst & Whinney, dated November __, 1985, the amounts on deposit in the Depository Trust together with investment income therefrom will be sufficient to pay the interest on and principal of the Bonds to be Refunded as the same become due.

Section 6. The Trustee shall, at all times hold the Obligations and all moneys in the Depository Trust for the account of the District and for the benefit of the holders of the Bonds to be Refunded, shall maintain the Depository Trust and the separate accounts therein wholly segregated from other funds and securities on deposit with the Trustee, shall never commingle such Obligations and other moneys with other funds or obligations of the Trustee, and shall never at any time use, loan or borrow the same in any way.

Section 7. The Trustee may sell or redeem the Obligations held in the Depository Trust in advance of their maturity dates and invest the proceeds of such sale or redemption or other moneys credited to the Depository Trust in connection with such sale or redemption only upon receipt of written instructions from the Treasurer of the County (the "Treasurer") to do so, and receipt by the parties hereto of:

(a) An opinion in form and substance satisfactory to them of nationally-recognized bond counsel to the effect that such action will not cause the Bonds to be Refunded or the Refunding Bonds to become "arbitrage bonds" within the meaning of Section 103(c) of the

Internal Revenue Code, and will not adversely affect the right of the County or District to issue obligations the interest on which is exempt from Federal income taxation; and

(b) A report from a nationally recognized firm of independent accountants verifying the accuracy of the arithmetic computations of the adequacy of the proceeds from the liquidation, together with any other moneys and the interest on and maturing principal of any Obligations to be credited to the Depository Trust in accordance with the Treasurer's instructions, to pay, when due, the principal of and interest on the Bonds to be Refunded as the same becomes due at maturity or upon prior redemption.

Upon any such sale or redemption, any amounts not needed in the Depository Trust to provide for payment of the Bonds to Refunded, as shown by the accountant's report discussed above, may be withdrawn from the Depository Trust and returned to the Treasurer and applied for the benefit of the District in accordance with applicable law.

Section 8. The Depository Trust shall be irrevocable and the holders of the Bonds to be Refunded shall have an express lien on, and are hereby granted a security interest in, all moneys and obligations, including the interest earned thereon, in the Depository Trust until paid, used and applied in accordance with this Agreement.

Section 9. Except as otherwise expressly provided herein, any moneys in the Depository Trust, including any moneys realized upon the maturity of the Obligations deposited therein, shall be held as a demand deposit and shall be secured by direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in an amount at all times at least equal to the total amount of said moneys on deposit.

Section 10. The Trustee shall not be liable or responsible for any loss resulting from any investment made pursuant to this Agreement in compliance with the provisions hereof.

Section 11. The Treasurer and the Auditor General of the State of Arizona shall have the right to audit the books, records and accounts of the Trustee insofar as they pertain to the Depository Trust.

Section 12. The Trustee shall be entitled to an initial fee of \$_____ for its services hereunder due and

payable upon the date of the initial deposit of moneys into the Depository Trust. Thereafter, fees for services of the Trustee hereunder shall be paid on each July 1 during the term hereof solely from amounts available in the Depository Trust which are not needed to pay when due the interest on and principal of the Bonds to be Refunded in accordance with the schedule shown on Exhibit "F."

Section 13. The Trustee shall cause a notice of the advance refunding of the Bonds to be Refunded in substantially the form of Exhibit "G" to be published once in a financial newspaper of national distribution or mailed to the holders of the Bonds to be Refunded.

Section 14. The Trustee shall immediately notify the County and the District by telephone, promptly confirmed in writing, whenever for any reason the funds on hand in the Depository Trust will be insufficient to pay the interest on and principal of the Bonds to be Refunded to be paid from such account as the same become due and the District shall forthwith deposit into such account such additional funds as may be required to pay in full the amounts due on the Bonds to be Refunded prior to the date on which the same becomes due and payable.

Section 15. On or within ten (10) business days after July 1, 1986, and semiannually thereafter on or within ten (10) business days after each January 1 and July 1, so long as the Depository Trust is maintained, the Trustee shall forward by first class mail to the County and the District, a statement with respect to each account within the Depository Trust stating in detail the income, investments, obligations, sales, redemptions, moneys on deposit and withdrawals of moneys therefrom for the immediately preceding six-month period and, on or within ten (10) business days after each July 1, for the preceding 12-month period ending on the first day of the month such report is given in.

Section 16. The parties hereto recognize that the holders of the Bonds to be Refunded have a beneficial interest in the moneys and Obligations held in trust hereunder and that the Refunding Bonds will be delivered to and accepted by the purchasers thereof in reliance upon the irrevocable character of the Depository Trust. It is therefore expressly recited, understood and agreed by the parties hereto that this Agreement shall not be revoked and shall not be amended in any manner which may adversely affect the rights herein sought to be protected until the provisions of this Agreement have been fully carried out.

Section 17. The Trustee shall be under no obligation to inquire into or otherwise be responsible for the performance or nonperformance by the County or the District of any of its or their obligations or to protect any of the rights of the County or the District in connection with any of the proceedings with respect to the Bonds to be Refunded or the Refunding Bonds. The Trustee shall not be liable for any action taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing except for its negligence or misconduct or its default in the performance of any obligation imposed upon it under the terms of this Agreement.

Section 18. Neither this Agreement nor the Depository Trust created hereunder may be assigned by the Trustee without the prior written consent of the County and the District unless the Trustee is required by law to divest itself of its interest in its trust department or unless the Trustee sells or otherwise assigns all or substantially all of its trust business, in which event the Depository Trust shall be continued by the Trustee's successor in interest.

Section 19. If any section, paragraph, subdivision, sentence, clause or phrase hereof shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions hereof. The parties hereto declare that they would have executed this agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases hereof may be held to be illegal, invalid or unenforceable. If any provision hereof contains any ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

Section 20. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona.

Section 21. This Agreement expresses the entire understanding and all agreements of the parties hereto with each other with respect to the subject matter hereof and no party hereto has made or shall be bound by any Agreement or any representation to any other party which is not expressly set forth herein.

Section 22. This Agreement may be executed in several counterparts, each of which shall be an original, all of which together shall constitute but one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the day and year first above written.

NAVAJO COUNTY, ARIZONA

By _____
Chairman, Board of Super-
visors of Navajo County,
Arizona

Attest

Clerk, Board of Supervisors
of Navajo County, Arizona

FIRST INTERSTATE BANK OF
ARIZONA, N.A., as Trustee

By _____
Title _____

EXHIBIT A
REFUNDING EXPENSES

	<u>Total Costs of Issuance</u>	<u>Costs of Issuance Used to Adjust the Yield on the Refunding Bonds</u>
Bond Counsel		
Verification		
Bond Printing		
Trustee Fees (Initial)		
Auditor General Review		
Ratings		
Official Statement		
Computer Fee		
Closing Costs		
Word Processing and Copying		
Shipping/Telephone		
Underwriter's Counsel		

EXHIBIT B

INSURANCE EXPENSES

EXHIBIT C

ACQUIRED OBLIGATIONS

<u>Principal Amount</u>	<u>Description of Security</u>	<u>Interest Rate</u>	<u>Maturity</u>
-----------------------------	--------------------------------	--------------------------	-----------------

EXHIBIT D

UNRESTRICTED YIELD OBLIGATIONS

<u>Par</u>	<u>Description of Security</u>	<u>Maturity Date</u>	<u>Price</u>	<u>Extension</u>
------------	------------------------------------	--------------------------	--------------	------------------

EXHIBIT E
DEBT SERVICE ON
THE BONDS TO BE REFUNDED

Date

Principal

Interest

EXHIBIT F
TRUSTEE FEE SCHEDULE

<u>Date</u>	<u>Fee Amount</u>
-------------	-----------------------

EXHIBIT G

NOTICE OF ADVANCE REFUNDING

of the following
School Improvement Bonds of
Blue Ridge Unified School District No. 32
of Navajo County, Arizona

<u>Issue Series</u>	<u>Original Amount</u>	<u>Dated Date</u>	<u>Maturity Date Being Refunded</u>	<u>Principal Balance Being Refunded</u>
Project of 1984	\$9,750,000	08/01/84	07/01/86 through 1996	\$9,750,000

Notice is hereby given that the above-referenced bonds have been refunded in advance of their stated maturity dates by the establishment of an irrevocable trust account with First Interstate Bank of Arizona, N.A., as trustee. According to a report by Ernst & Whinney, certified public accountants, the moneys and obligations issued by or guaranteed by the United States of America which have been deposited in the trust account are scheduled to provide funds in the amounts sufficient to pay all principal of and interest and redemption premiums on the refunded bonds as the same becomes due.

NAVAJO COUNTY, ARIZONA

By _____
Treasurer, Navajo County
Arizona

FIRST INTERSTATE BANK OF
ARIZONA, N.A., as Trustee

By _____
Title _____

09BDB0912